THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) The increase in trade deficit during the recent years has been due to the exports growing at a lower rate than that of imports. During 2007-08 (April-October), while total value of exports were of the order of US$ 85583.30 million, the total value of imports were US$ 129989.72 million, resulting in a trade deficit of US $44406.42 million.

(c) and (d) The major reasons for increase in trade deficit can be attributed to the increase in the import of capital goods and raw-materials due to high growth rates of the economy and also increase in the prices of petroleum products. While it is the endeavour of the Government to promote exports through initiatives in accordance with the provisions under the Foreign Trade Policy (2004-09) and its Annual Supplements, suitable mechanism have also been put in place for monitoring the imports of sensitive items and to safeguard the interest of the domestic producers, by resorting to various WTO compatible measures, which include calibration of applied tariffs within bound tariffs, anti-dumping and safeguard action and imposition of countervailing duties etc.

No objection of local population for SEZs

1656. SHRI RAJKUMAR DHOOT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Government has decided to implement SEZs only if local population has no objection;

(b) if so, the details thereof;

(c) how many proposals already approved will have to seek no objection from local population; and

(d) whether Government will obtain 'no objection' or prospective proposer will have to do so?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) to (d) The Board of Approval only considers those proposals, which have been duly recommended by the respective State Governments. In pursuance of the decisions taken by the Empowered Group of Ministers (EGOM), the State Governments have been informed on 15th June 2007 that the Board of Approval will not approve any SEZs where the State Governments have carried out or propose to carry out compulsory acquisition of land for such SEZs after 5th April, 2007. The Ministry of Rural Development has also come out with a new National Rehabilitation and Resettlement Policy, 2007.

Export of drugs

1657. SHRI RAJKUMAR DHOOT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that an Export Promotion Cell has been functioning to boost pharmaceutical exports;

(b) if so, the major items of pharmaceuticals being exported and its contribution towards enhancing exports during the last two years; and

(c) the impact of recent unearthing of manufacturers of spurious drugs in India on pharmaceuticals exports?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) Yes Sir. Pharmexcil is the Export Promotion Council which is functioning with the objective of boosting pharmaceutical exports.

(b) The major items of pharmaceuticals being exported along with values thereof during the last two years were:

Product Category	2005-06 US $ Million	2006-07 US $ Million	2006-07 Share %	2006-07 Growth %
Crude Drugs	78.01	85.27	1.40	9.31
Bulk Drugs	2495.66	2674.38	43.96	7.16
Formulations	2569.52	3323.79	54.64	29.35
Total (Product Category)	5143.19	6083.44	100.00	18.28

(c) Monitoring mechanism for ensuring that spurious drugs are not exported exists in the Foreign Trade Policy.

Effect of *Ad Valorem* duty on export of chrome-ore

1658. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that there is already pending issue of computation of royalty on *ad valorem* basis on exporting chrome-ore, even after having the moisture contents;

(b) whether Government is ready to bear the expected loss of revenue to be accrued after imposition of duty on export of chrome-ore;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) A Study Group was set up under the Chairmanship of Special Secretary, Ministry of Mines to review the royalty rates of major minerals (other than coal, lignite and sand of stowing). Study Group has submitted its report which is under consideration of the Government.

(b) and (c) In 2007-08 budget, an export duty of Rs. 2000/- per metric tonne was imposed on all sorts of chromium ores and concentrates. It was felt that imposition of export duty would help in conserving our resources and raising revenue.

(d) Does not arise.